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TAGS: [PREL](#) [PGOV](#) [GR](#)
SUBJECT: ND'S NARROW MANDATE ON DISPLAY AS NEW PARLIAMENT
BEGINS DEBATE

Classified By: POLITICAL COUNSELOR ROBIN QUINVILLE. REASON: 1.4 (B) A
ND (D).

¶1. (C) SUMMARY: PM Karamanlis kicked off the first session of the new Parliament with a statement emphasizing the need for continued reform, his campaign theme. It immediately became the target for the other parliamentary parties (now four) in a three-day debate. Foreign policy played only a minor role, with both PM Karamanlis and FM Bakoyiannis underscoring the ND government's determination to take a strong stance on the Macedonia name issue. In his first parliamentary statement, far-right LAOS leader Karatzafaris declared that he was "as much against the government as PASOK." Bad news for PM Karamanlis, who won the traditional vote of confidence which followed with exactly 152 votes -- ND's narrow majority. END SUMMARY.

A WORKING WEEKEND

¶2. (C) Not surprisingly, Karamanlis's statement emphasized his campaign's theme: the need to continue reform initiatives, including reform of the social security system. Karamanlis claimed that the steady improvement of the economy and a package of measures to finance the pension system were key; he did not foresee the need to increase retirement age limits or impose higher taxes. He called for implementation, at the beginning of 2009, of a plan for a minimum national pension. Other goals included reconstruction of areas destroyed by wildfires, increased transparency, media licensing, and combating corruption.

¶3. (C) Most telling, though, was Karamanlis's call to change the electoral law. The September election was conducted according to PASOK-authored legislation; ND believes that its provisions negatively impacted their parliamentary majority. Karamanlis can expect opposition not only from PASOK, but from the smaller parliamentary parties. While some might see his proposal as post-election pique, Karamanlis is actually focused on the long term. Any change now would not take effect in the next election, but the one after that. And -- with some predicting Karamanlis will call snap elections within 20 months to increase his majority -- changing the law now could help ND in an election just a few years down the road.

MACEDONIA NAME ISSUE

¶4. (C) As in the elections, foreign policy received little attention in the weekend debate. On Macedonia, Karamanlis stressed that his government made clear to "neighboring Skopje" that if it really wished to join Euro-Atlantic institutions, it must respect "to the fullest" the Interim Accord and "abandon intransigence" so that a mutually acceptable solution to the name issue could be found. FM Bakoyiannis elaborated, arguing that "Skopje's actions and omissions, the intransigence and the extensive irredentist propaganda and every type of provocation undermine the spirit

and the letter of the interim agreement and it is not possible to invoke only certain points . . . this is why Greece maintains to the fullest all the rights which derive from its capacity as a member of NATO and of the EU." Bakoyiannis emphasized the GOG's view that the goal of the 1995 Interim Agreement was to find a mutually acceptable solution, not to simply keep the question pending.

SOCIALIST PASOK FIGHTS BACK, BUT RIGHT-WING LAOS LOOKS FEISTY

15. (C) Beleaguered opposition leader (and former FM) Papandreou also spent little time on foreign policy issues, attacking the government for "losing historic opportunities" to promote the national interest. He hammered ND's economic policy, accusing it of having a "secret agenda" to increase taxes. He challenged the government's ability to help restore fire-damaged regions, and criticized its plans to sell off the public power corporation and Olympic Airlines "at bargain basement prices."

16. (C) The three-day debate marked nationalist LAOS's first parliamentary appearance. Party leader George Karatzaferis promised to clobber "thieves" in his future addresses and to oppose "censorship" -- which most interpret as a veiled threat to the House Speaker not to try to restrain him. Karatzaferis also rejected accusations that his party falls on the political right-wing, declaring that he is "as much against the government as PASOK."

COUNTRYMAN